

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT**

PROPOSED RULE: 405 IAC 2-8-1 and 405 IAC 2-8-1.1
STATE AGENCY: Family and Social Services Administration

DATE PREPARED: Jun 21, 2002
DATE RECEIVED: May 10, 2002

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Digest of Proposed Rule: This proposed rule amends the Medicaid estate recovery provisions of the Administrative Code. The rule as amended, would bring the FSSA rules into conformance with the provisions of P.L. 178-2002 as enacted by the General Assembly. The existing rule reflects the previous statutory authority which limited FSSA to recovering assets held within a deceased Medicaid recipient's probate estate. P.L 178-2002 allows recovery from some nonprobate assets on a limited basis, such as jointly held property and some trusts.

Governmental Entities: This change may result in an increase in Medicaid estate recoveries. The legislation limits the state's ability to recover nonprobate assets to those valued at more than \$125,000 for jointly held real property. Additionally, the legislation grandfathers the protection of most nonprobate assets held by current Medicaid recipients. While the agency has no information available concerning the nonprobate assets of Medicaid recipients, the agency believes that the limitations imposed by the legislation are set high enough that few individuals would have assets that would exceed the statutory limits and be subject to recovery. There may, however, be some additional recoveries as a result of the legislation and this related rule change.

Medicaid is a federal and state-funded program; there should be no local fiscal impacts. Consequently, this rule places no unfunded mandates upon any state or local government agency.

Regulated Entities: The proposed rule affects the estates of deceased Medicaid recipients and the Office of Medicaid Policy and Planning.

Information Sources: P.L. 178-2002, (HEA 1196-2002); Donna Stolz Sembrowski, OMPP, 232-1282.